(d) The policy of the Government is promotion of IPM as the cardinal principle of plant protection. Government has established Central Integrated Pest Management Centres, across the country to, *inter-alia,* undertake pest surveillance and provide advisories to the State Governments on pest management, impart training to farmers in IPM by organizing Farmers Field Schools, encourage use of biological means of pest management, etc. The State Governments have, from time to time, been advised of the need to strictly enforce the provisions of the Insecticides Act, 1968, to control the sale of spurious pesticides. The Registration Committee constituted, under the Insecticides Act, 1968, has introduced simplified procedure for the registration of pesticides after satisfying themselves of their safety and efficacy.

Price rise of drugs

†*74. SHRI MOTILAL VORA:
SHRI SATYAVRAT CHATURVEDI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) the percentage increase in the prices of drugs during the period from January, 2006 to October, 2006 and from 1st November, 2006 to 31st December, 2006 respectively;

(b) the reasons for such a huge increase in the prices of drugs; and

(c) the steps taken by Government to roll back the increase in prices of drugs and the outcome thereon?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (c) Under the provisions of the Drugs (Prices Control) Order, 1995 (DPCO, 95), the prices of 74 bulk drugs and the formulation containing any of these Scheduled drugs are controlled. NPPA/Government fixes or revises prices of Scheduled drugs/ formulations as per the provisions of the DPCO, 95.

During the period from January, 2006 to October, 2006, prices of 55 bulk drugs were fixed out of which prices of 7 bulk drugs have been

† Original notice of the question was received in Hindi.

increased in the range of 0.21% to 11.72%. On the other hand, the prices of 46 bulk drugs were decreased and the prices of 1 bulk drug was fixed for the first time.

During the period from 1st November, 2006 to 31st December, 2006, prices of 5 bulk drugs were fixed out of which the prices on only 1 bulk drug has been increased by 2.88%. On the contrary, the prices of three cases were decreased and the price of 1 case was fixed for the first time.

The price fixation/revision of the Scheduled Drugs and formulations is a continuous process under DPCO, 95. The NPPA has fixed/revised the prices of Scheduled formulation in respect of 441 packs during the period January, 2006 to October, 2006, and 32 formulations packs during the period 1st November, 2006 to 31st December, 2006.

The details of percentage number of packs (both Scheduled and non-Scheduled) whose prices have increased or decreased or remained stable on the monthly basis in percentage terms as per Retail Audit Reports of ORG-IMS Research Pvt Ltd for the year 2006 as follows:

1. Percentage number of packs whose prices increased:

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2006	1.36	1.17	1.76	0.15	0.55	0.31	0.66	0.27	0.34	0.66	—	0.37

2. Percentage number of packs whose prices decreased:

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2006	0.42	0.97	0.60	0.33	0.24	0.28	0.03	0.35	0.15	0.11	0.00	0.62

3. Percentage number of packs whose prices remain stable:

Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2006	98.22	97.85	97.64	99.52	99.20	99.41	99.31	99.37	99.51	99.23	100.00	99.02

The common reasons for rise in the prices of medicines are:—

(i) Rise in the price of bulk drugs

(ii) Rise in the cost of production/import

(iii) Rise in the cost of transport, freight rates

(iv) Rise in the cost of utilities like fuel, power, diesel etc.

(v) For imported medicines, rise in the cost-insurance and freight (c.i.f.) price and depreciation of the Rupee

(vi) Changes in taxes and duties

The monitoring of prices of non-scheduled formulations is currently on the basis of data from ORG IMS.

Companies are short listed where there is an increase in price of a non-scheduled formulation by more than 20% in one year and the annual turnover of the formulation pack exceeds Rs. 1 crore. Further, the share of the formulator in that segment of the formulation is required to be at least 20% of the market or the medicine is one of the top 3 selling brands of that group. The criteria, namely, high turnover and 20% price increase are designed to identify cases of mass consumption and to meet the requirement of 'public interest', referred to in para 10(b) of the DPCO, 1995.

Wherever abnormal price increase is noticed, letters are sent to the manufacturers of such formulations to clarify the reasons for such price increases. The manufacturers are also invited to NPPA to attend a personal hearing before the competent authority wherever replies received are not satisfactory. The manufacturers are impressed upon to bring down the prices voluntarily and to maintain the price levels for reasonable period of time in future.

Monitoring of prices of non-Scheduled formulations is an ongoing exercise undertaken by the NPPA. During such monitoring 21 companies have reduced the price voluntarily in respect of 34 formulation packs. Some cases where increase in price during one year was more than 20% referred by NPPA to this Department for appropriate action. This Department/NPPA has issued orders for reduction in the prices of 14 formulations by 0.50% to 24.54%. Now the NPPA has been authorized to take up such cases itself and reduce prices to the permissible level, if necessary.